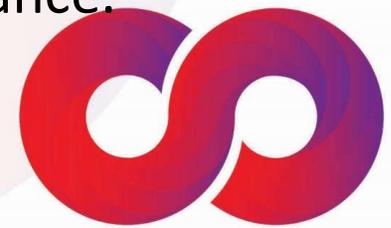


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Legal Disclaimer

- The Commonwealth Connect team is not providing legal advice.
- Please consult with your counsel when determining eligible expenses for the Local Fiscal Recovery Fund.
- The Commonwealth Connect team and the Office of Broadband are available to discuss our interpretation of the Treasury guidance, brainstorm local ideas, and help you navigate the guidance.



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Local Fiscal Recovery Fund Basics

Four eligible use categories:

- To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
 - For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
 - **To make necessary investments in water, sewer, or broadband infrastructure.**
- \$3.7 billion in local funding – transferred in two tranches, May/June 2021 and May/June 2022
 - Funds must be obligated by 12/31/24 and expended by 12/31/26



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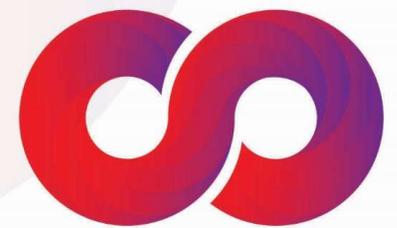
Broadband Guidelines

- Unserved locations defined as lacking access to a **wireline** connection capable of reliably delivering at least minimum speeds of 25/3 mbps.
- Deployment Speeds:
 - Network speeds should provide 100/100 mbps symmetrical services.
 - Speeds of 100/20 mbps acceptable when facing challenges with geography, topography, or excessive costs associated with a project. Any 100/20 mbps projects must be scalable to 100/100 mbps.
- Overbuilding:
 - *“In selecting an area to be served by a project, recipients are encouraged to **avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100 Mbps download and 20 Mbps upload by **December 31, 2024**, in order to avoid duplication of efforts and resources.”***



Broadband Guidelines

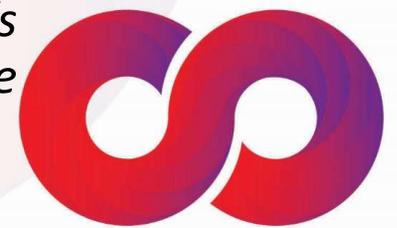
- Middle Mile vs. Last Mile:
 - *“recipients are encouraged to focus on projects that deliver a physical broadband connection by prioritizing projects that achieve last mile-connections.”*
 - Like VATI, middle mile investments could be interpreted as an eligible expense if paired with last mile connections.
- Ownership
 - Recipients are encouraged to prioritize networks owned/operated/affiliated by local governments, non-profits, and co-ops - providers with less pressure to turn profits and with a commitment to serving entire communities.
 - Dispersing funds via the locality, a broadband authority, or IDA/EDA is a local choice.



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Reporting

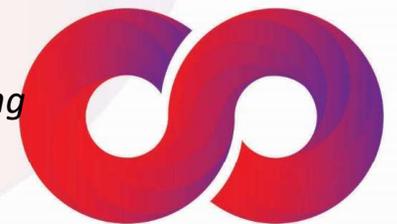
- State and Local Governments will be required to submit quarterly project and expenditure reports through December 31, 2026, including:
 - financial data and information on contracts
 - sub awards over \$50,000
 - types of projects funded
 - other information regarding a recipient's utilization of the award funds.
- *“Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury’s regulations implementing those sections, and Treasury’s guidance on eligible uses of funds.”*



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Consultants, Procurement, and Admin

- Guidance is silent on consultants, procurement for partnerships, and method of awarding funds.
 - Start with resources of the Office of Broadband (planning, GIS, etc.)
 - If your locality does not have a partner for universal coverage, now is the time to find one.
 - Networks should be designed by the last-mile provider.
- *“Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID–19 public health emergency and its negative economic impacts. This includes, but is not limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.”*

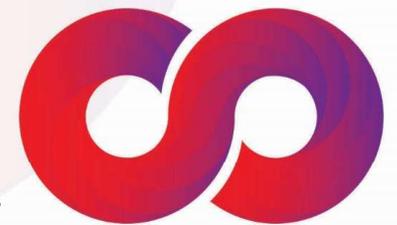


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Affordability

“Assistance to households facing negative economic impacts due to COVID-19 is also an eligible use, including internet access or digital literacy assistance.”

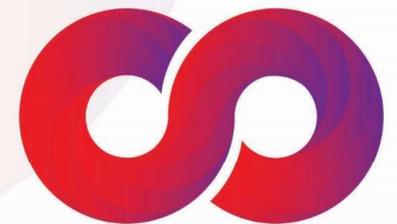
- Subsidizing internet service for low-income households is eligible. Important to consider ongoing costs after LFRF runs out
- Potential affordability uses:
 - subsidize cost of end-user equipment
 - pay for low income household long-drops in served communities
- When selecting a partner, consider low-cost plans offered.
- Municipal Networks are encouraged but unclear if projects connecting already served low income communities are eligible.



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Digital Literacy and Cybersecurity

- *“Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet.”*
 - Partner with libraries and schools on digital literacy efforts.
- *“Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.”*
 - Opportunity to modernize municipally owned networks
 - Locality facilities, schools, water/sewer, public safety, etc.



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Fixed Wireless Broadband

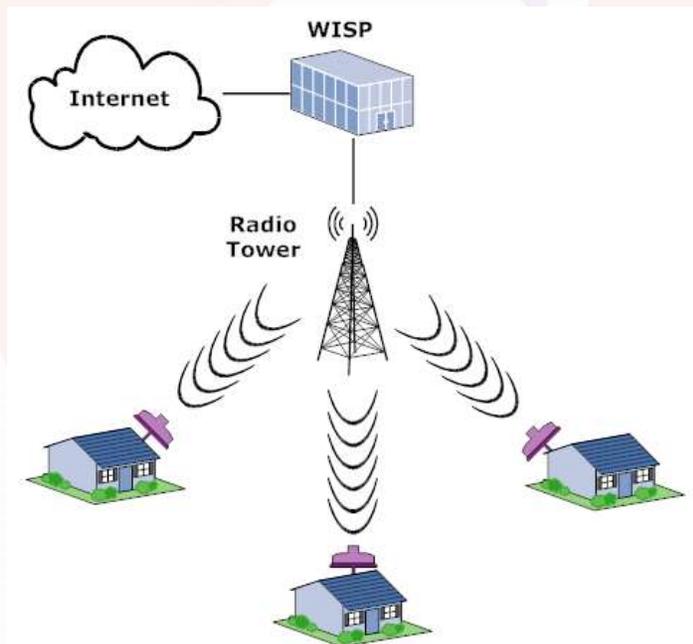
- *“Projects would be expected to be designed to deliver, upon project completion... 100Mbps download and between at least 20Mbps and 100Mbps upload speeds and be **scalable** to a minimum of 100Mbps symmetrical.”*
- Network scalability refers to how well a network can upgrade the speeds of the service.
- Some fixed wireless broadband networks can deliver 100/20mbps and are scalable to 100/100mbps.



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Fixed Wireless Broadband

- Fixed Wireless Broadband is an Internet connection providing high-speed bandwidth delivered using radio signals instead of cables.
- A way of using radio waves to send and receive fast Internet.



Uses & Applications:

- 1- Connect Homes,
- 2- Businesses, and
- 3- Community Anchors.

- Browsing, emailing.
- Video Conferencing,
- VoIP, ...etc.



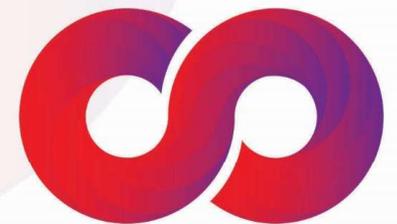
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Speed Scalability

- Availability to scale network speeds from 100Mbps download/20 Mbps upload to 100 Mbps symmetrical depends on network design.

Things to consider

- Backbone capacity
- Core networks elements
- Upgrade Software (Licenses)
- Access points on the tower (tower capacity)
- Subscriber units



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State Broadband Funding

State Fiscal Recovery Fund:

- \$4.3 billion in state funding – to be appropriated by GA in summer special session
- Governor Northam - “Fully deploy broadband across Virginia. The pandemic highlighted a fundamental economic reality: People without broadband get left behind. This is a once-in-a generation opportunity. Let’s accelerate a 10-year plan over the next 18 months—and bring broadband to all of Virginia’s cities and rural areas.”

Virginia Telecommunication Initiative (VATI):

- FY22 round – \$50m available.
- Application opens June 17.
- Applications due September 14.
- For technical assistance – vati@dhcd.Virginia.gov



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Additional Federal Broadband Funding

Capital Projects Fund:

- Estimated \$220 million allocation for Virginia “to carry out capital projects that enable work, education, and health monitoring, including remote options.”
- Limited guidance provided in early May 2021, further Treasury guidance expected soon.
- Unclear if this funding would need to be appropriated by GA

Federal Infrastructure Bill:

- Substantial amounts of investment in both Republican and Democrat infrastructure proposals.
- **While promising, this source can't be counted on.**



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RDOF

- *“Recipients are encouraged to avoid investing in locations that have existing agreements to build reliable wireline service with minimum speeds of 100Mbps download and 20Mbps upload by December 31, 2024, in order to avoid duplication of efforts and resources.”*
- RDOF construction lasts for 6 years after contract approval (early 2022)
- Localities with RDOF awards are encouraged to reach out to the winners, coordinate where possible
- LFRF guidance may allow for funding to go to these areas to accelerate construction or bring in new partners to provide service quicker

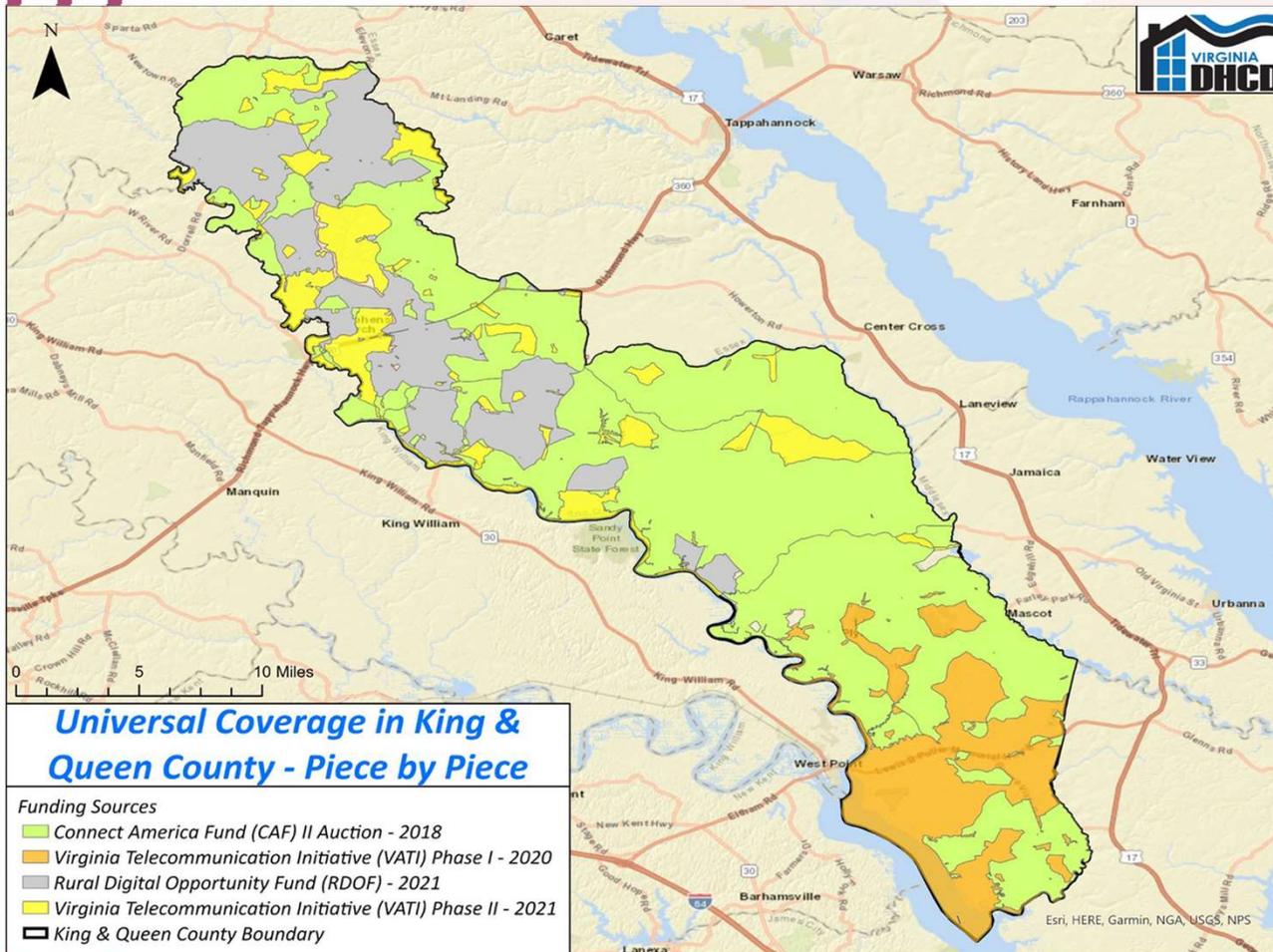


Best Practices

- **Think Big**
 - Once-in-a-generation investment in broadband.
 - Avoid cherry-picking and if possible, partner with neighboring localities.
 - Prioritize projects that achieve universal broadband service to your locality.
 - If incumbent providers are not willing to partner for universal service, now is the time to find a new partner(s).
- **You've Got Time**
 - Funds must be obligated by 12/31/24 and expended by 12/31/26
 - At a minimum, localities should wait to see how much the Commonwealth devotes to broadband.
- **Leverage LFRF with the Commonwealth's Resources**
 - The Office of Broadband can be free consultants!
 - Cost efficiency is a core metric of VATI and LFRF will be considered as matching dollars.
- **Talk with the Office of Broadband!**



Universal Coverage

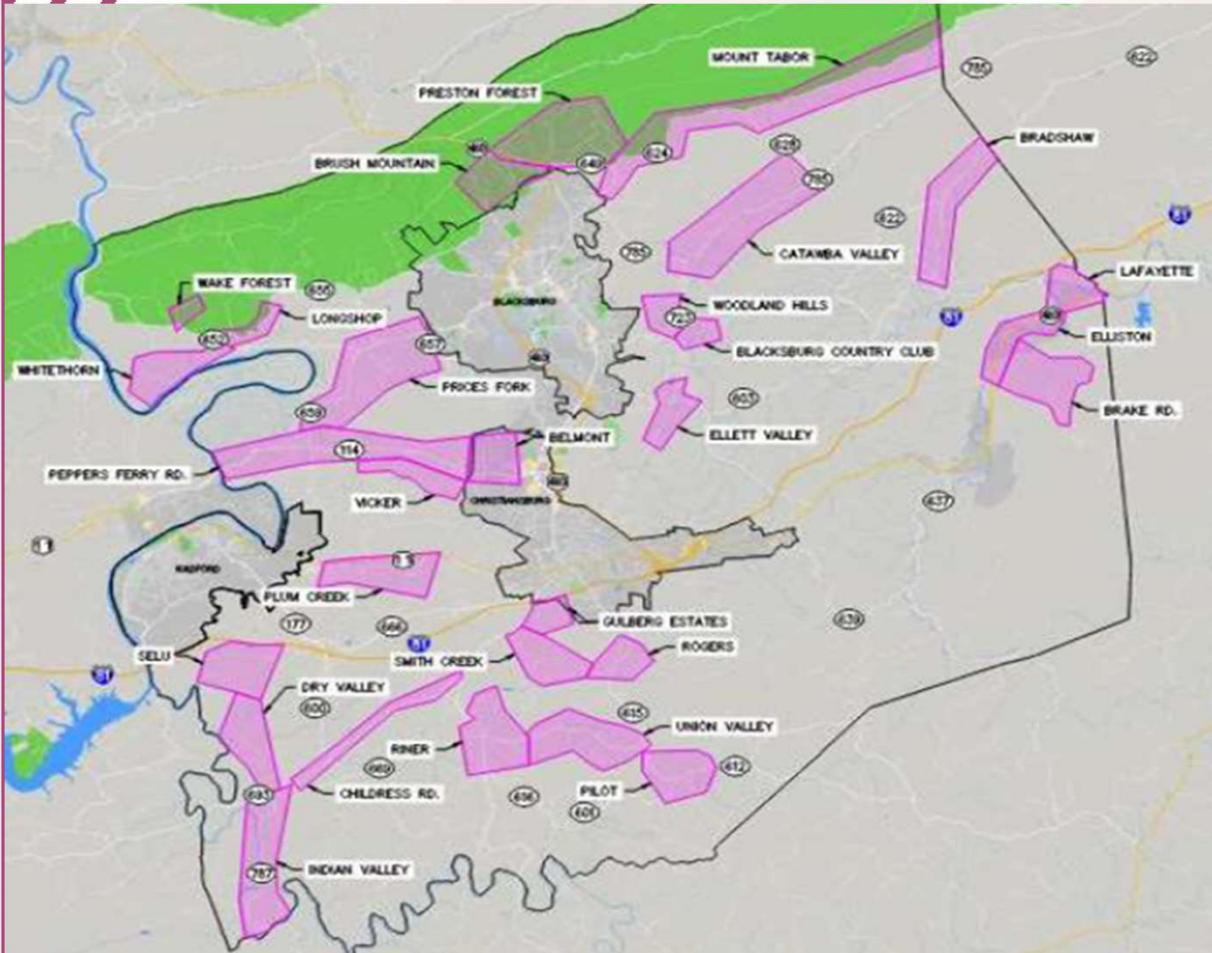


- Universal Coverage - 97% of homes with access to 25/3 mbps
- Important to identify existing public funding
- 2022 VATI Guidelines allow for combining VATI - RDOF and accelerating buildouts



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Universal Coverage



- Start by identifying unserved areas
- Find a partner to address unserved areas, either incumbents or new providers
- Use LRFR/VATI for filling the gap
- Don't settle for less than universal.



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Resources

- This recorded presentation and more resources are available on www.commonwealthconnect.virginia.gov
- US Department of Treasury webpage (guidance, FAQs, etc) - home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds
- Contact the Office of Broadband at vati@dhcd.virginia.gov for technical assistance around broadband planning, pairing this funding with VATI, and project development using LFRF.
- Need a presentation for your board of supervisors or city council? Governor's Broadband Team is available - commonwealthconnect@governor.virginia.gov

